

Message Text

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ACTION NEA-12

INFO OCT-01 EUR-25 EA-11 ISO-00 AEC-11 AID-20 CEA-02

CIAE-00 CIEP-02 COME-00 DODE-00 EB-11 FEA-02 FPC-01

H-03 INR-10 INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07

RSC-01 SAM-01 SCI-06 SP-03 SS-20 STR-08 TRSE-00 PA-04

USIA-15 PRS-01 IO-14 DRC-01 AF-10 ARA-16 SWF-02 AGR-20

ABF-01 /260 W

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P R 071318Z APR 74

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC PRIORITY 6660

INFO AMEMBASSY BEIRUT

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY TEHRAN

AMEMBASSY TOKYO

AMEMBASSY VIENNA

AMCONSUL DHAHRAN

C O N F I D E N T I A L JIDDA 1789

DEPT PASS USINT BAGHDAD

E.O.: 11652: GDS

TAGS: EFIN, SA

SUBJ: ASSISTANCE TO LDC'S

REF : A. STATE 65833; B. STATE 56529

SUMMARY: IMF DIRECTOR GENERAL WITTEVEEN IS MEETING WITH SAG
MINISTER OF FINANCE IN JIDDA AND WILL HAVE AUDIENCE WITH
KING. NATURE OF IMF PROPOSALS UNCERTAIN. SAMA GOVERNOR ANWAR
ALI AGREED TO CONSIDER SUBMITTING IDEA OF SPECIAL
CONTRIBUTION TO IDA AS MEANS OF HELPING U.S. IN
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ITS RESUBMISSION TO CONGRESS. SAG LIKELY TO STICK TO OPEC

FUND AND A FEW OTHER MULTILATERAL CONTRIBUTIONS IN ADDITION TO BILATERAL HELP TO LDC'S. SAG HAS DECIDED TO TRIPLE ITS CONTRIBUTION TO UNDP; GIVE A SUM TO UNICEF; AND MAY HAVE DECIDED TO MAKE A SPECIAL CONTRIBUTION TO UNRWA. END SUMMARY.

1. GOVERNOR ANWAR ALI OF SAUDI ARABIAN MONETARY AGENCY IS MEETING WITH A MAJOR TEAM OF IMF EXPERTS, INCLUDING DIRECTOR GENERAL WITTEVEEN. MINISTER OF FINANCE, PRINCE MUSA'AD, WILL HEAD THE SAG DELIBERATIONS WITH WITTEVEEN AND HIS PARTY WHICH WILL TAKE PLACE HERE IN JIDDA, NOT AT THE CAPITAL.

2. ALI IS UNSURE ABOUT THE NATURE OF THE DELIBERATIONS WHICH WILL PRESUMABLY BE KEYED TO IMF INTEREST IN TESTING OUT SAG REACTION TO PROPOSAL FOR SOME MEANS OF FUNDING INCREASED ENERGY COSTS. WITTEVEEN'S THOUGHTS ABOUT THIS APPARENTLY HAVE BEEN MODIFIED SINCE HIS ORIGINAL PROPOSAL FOR A SPECIFIC FUND, BUT GOVERNOR ALI REMAINS IN THE DARK ABOUT THE EXACT NATURE OF THE PROPOSALS WITTEVEEN WILL MAKE.

3. ECON COUNSELOR PRESENTED IDEAS CONCERNING SAUDI AID TO LDC'S PER STATE REFTEL B TO GOVERNOR ALI, COMPLIMENTING HIM ON SUCCESSFUL \$50 MILLION TWO-YEAR CONTRIBUTION TO WORLD FOOD PROGRAM. SAG HAD RECEIVED WIDESPREAD PUBLICITY HELPFUL TO THE COUNTRY. ALI SAID THAT HE HAD PERSONALLY PLAYED A ROLE IN DECISION JUST BEFORE HIS DEPARTURE FOR WASHINGTON MEETING, HELPING TO GAIN KING'S ACQUIESCENCE IN MAKING THE CONTRIBUTION.

4. HIS REACTION TO SUGGESTION THAT SAG SERIOUSLY CONSIDER IDA CONTRIBUTION WAS TO TAKE IT UNDER ADVISEMENT. HE INDICATED THAT HE MAY RAISE THE IDEA OF HELPING WASHINGTON BY A SAG CONTRIBUTION AT THIS TIME ALONG LINES INDICATED IN REFTEL.

5. ON CONTRIBUTIONS TO OTHER MULTILATERAL INSTITUTIONS ON A SCALE THAT WOULD BE SERIOUSLY HELPFUL TO THE BALANCE OF PAYMENTS PROBLEMS OF LDC'S (AND DC'S), ALI SAID THAT HE DOUBTED SAUDI ARABIA WOULD DO MUCH ASIDE FROM THE PROPOSED OPEC FUND (SAMA CHIEF ECONOMIST ATTENDED OPEC MEETING OF EXPERTS IN VIENNA AT WHICH VARIOUS IDEAS FOR NEW OPEC FUND WERE WORKED OUT.) NO DETAILS ARE AVAILABLE HERE HOWEVER, ALTHOUGH MINISTER CONFIDENTIAL

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YAMANI DEPARTED APRIL 4 FOR GENEVA TALKS WITH AOPEC MINISTERS ON THIS FUND. IT APPARENTLY WILL BE A FOLLOW-ON OR SUBSTITUTE FOR SHAH'S PROPOSALS.

6. WE HAVE LEARNED FROM OTHER SOURCES THAT AN ADDITIONAL SAUDI CONTRIBUTION OF 1.5 MILLION DOLLARS TO UNDP PROGRAMS HAS BEEN APPROVED, AS WELL AS ADDITIONAL UNSPECIFIED SUM FOR UNICEF. A SPECIAL CONTRIBUTION TO UNRWA IS BEING DISCUSSED, AND WE

ARE TOLD THAT SOME MONEY WILL BE FORTH-
COMING.
AKINS

NOTE BY OC/T: NOT PASSED USINT BAGHDAD

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